



BOSTON CITY COUNCIL

Committee on Government Operations
Ricardo Arroyo, Chair

One City Hall Square ♦ 5th Floor ♦ Boston, MA 02201 ♦ Phone: (617) 635-3040 ♦ Fax: (617) 635-4203

REPORT OF COMMITTEE CHAIR

June 15, 2022

Dear Councilors:

Docket #0432, Petition for a Special Law re: An Act Relative to Chapter 30B: Uniform Procurement Act, was sponsored by Mayor Michelle Wu and referred to the Committee on March 30, 2022. The Committee held a hearing on June 10, 2022 where public comment was taken.

Summary of Legislation As Filed:

Docket #0432 is a home rule petition that will give the City of Boston greater flexibility in awarding contracts to diverse, small, and local businesses. This proposal will raise M.G.L. ch. 30B written quote contract maximum from the \$50,000.00 to the state Small Purchase threshold as defined by the Operational Services Division. This home rule petition would apply to contracts with certified minority and women owned businesses. Currently, Chapter 30B section 4 requires that a procurement officer seek written quotes from at least three persons and does not allow any preferences for disadvantaged, diverse, or small and local businesses. This proposal will allow a procurement officer in the City of Boston to seek written quotations from at least three disadvantaged businesses, diverse businesses, or small and local business enterprises, as certified by the Massachusetts Supplier Diversity Office or the City of Boston. Raising the written quote maximum will increase opportunities and access to city contracting for minority and women owned businesses.

Information Gathered at the Hearing:

Chair Arroyo provided opening remarks summarizing the legislation and provided background information on the state's Procurement Law, M.G.L. ch. 30B. Chair Arroyo explained that this legislation would amend Massachusetts General law Chapter 30B by raising the written quote contract maximum for contracts with certified minority-and women-owned enterprises from \$50,000.00 to the State Small Purchase threshold for the City of Boston only in order to address inequities in awarding City contracts. Chair Arroyo explained that Massachusetts passed ch. 30B in 1990 to establish procedures for the acquisition of supplies and services by local governmental bodies in order to ensure uniform contracting procedures and fair competition for larger procurements to mitigate bias in government. The procedures established under ch. 30B apply the same thresholds and limits for every municipality regardless of their size or budgets.

The following individuals participated on behalf of the Administration: Segun Idowu, Chief of Economic Opportunity and Inclusion; Michael Miller, Director of Strategic Procurement Administration and Finance; and, Andre Lima, Deputy Director of Supplier Diversity and Boston Residents Jobs Policy. Kareem Kibodya, Senior Policy and Advocacy Advisor for the Black

Economic Council of Massachusetts (BECMA) also participated. Lawyers for Civil Rights Boston submitted written testimony in support of the legislation.

The Committee discussed the City of Boston's 2020 Disparity Study which showed that from 2014-2019, black and Latinx-owned firms were awarded 1.2% of the \$2.1 billion dollars in City Contracts for construction and professional goods and services. The Committee discussed how this legislation will remedy the inequities shown from the 2020 Disparity Study.

Administration officials offered testimony in support of the legislation explaining that it will increase access to City contracting opportunities for small and diverse businesses and that this legislation is one of the most important tools that the City can use to help small businesses and to diversify suppliers. Administration officials explained that this legislation is an important tool in decreasing barriers to City contracting. The Administration explained that the written quote contract process is faster for staff than pursuing a full Request for Proposal ("RFP") and is less burdensome for small businesses. The written quote contract process is simpler with a quick turnaround time and requires less City of Boston staff time and decreases costs for small businesses. Administration officials stated that this legislation will increase the diversity of the supplier base by lowering barriers to access city contracting opportunities for minority and women-owned businesses. Administration officials also stated that the City will be able to identify businesses that are already certified that would qualify for contracting under this proposal.

Kareem Kibodya, BECMA, testified in support of the docket. Mr. Kibodya discussed BECMA's work with small businesses. Mr. Kibodya stated that it is important to change the narrative that opportunities are not available. Mr. Kibodya stated that he is excited to see opportunities that will lower barriers and will allow opportunities to compete.

Councilors inquired about engaging with small businesses, City outreach efforts, supplier portal difficulty, and simplifying the process. Andre Lima stated that the proposal addresses the concerns and barriers that the City hears from businesses about the RFP process being burdensome and costly. Mr. Lima stated that this proposal will address the difficulty that many businesses have in giving attention to the RFP proposal writing. Mr. Miller stated that allowing contracts between \$10,000.00 to the small purchase threshold of \$250,000.00 will decrease the upfront work for businesses. Mr. Miller indicated that the City will need to address the supplier portal in the longer term.

Councilors inquired about other barriers in the procurement process, types of industries that the proposal would apply to, and what the City's measurements are with regard to diversifying its contracts. Chief Idowu discussed former Mayor Walsh's Executive Order that established City goals to diversify contracts. Chief Idowu stated that implementation of this legislation will help to exceed the goals outlined in the Executive Order. Chief Idowu also referred to the Sheltered Market Program as a mechanism to diversify contracts. The Committee discussed the narrative and suggested promoting the awards of contracts to small and diverse businesses in order to generate interest in applying for contracts or becoming a certified vendor. Administration officials described the City's efforts to generate interest in City contracting which include using the City's certified business directory, the state directory, informing businesses in the network to advertise, and sending out newsletters. Administration officials stated that the City will be proactive and will use this legislation to build up capacity and create a pipeline to develop a healthy list of certified vendors to prepare businesses for work with the City and the State.

Administration officials stated that the proposal would apply to all industries and will assist the City in identifying where there is not a healthy number of diverse vendors.

Summary of Amendments:

This docket has been amended to include the Boston Public Health Commission, the Boston Housing Authority, the Boston Water and Sewer Commission, and the Boston Redevelopment Authority.

Rationale and Recommended Action:

This home rule petition will give the City of Boston greater flexibility in awarding contracts to diverse, small, and local businesses. This proposal will raise M.G.L. ch. 30B written quote contract maximum from the \$50,000.00 to the state Small Purchase threshold as defined by the Operational Services Division for contracts with certified minority and women owned businesses. Raising the written quote contract maximum will reduce barriers for many businesses and will increase opportunities for small and diverse businesses who may not have the resources to participate in the full RFP process. Allowing the City to increase the written quote contract maximum will allow more businesses to participate in City contracting and will allow the City to diversify the supplier chain and make greater investments in small businesses. Expanding this legislation to the Boston Public Health Commission, the Boston Housing Authority, the Boston Water and Sewer Commission, and the Boston Redevelopment Authority will further add opportunities to certified minority and women owned businesses as well as small and local businesses.

By the Chair of the Committee on Government Operations, to which the following was referred:

Docket #0432, Petition for a Special Law re: An Act Relative to Chapter 30B: Uniform Procurement Act

submits a report recommending that this docket **ought to pass in a new draft**.

For the Chair:

A handwritten signature in blue ink, appearing to read 'Ra', followed by a horizontal line.

Ricardo Arroyo, Chair
Committee on Government Operations